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TO RUEHC/SECSTATE WASHDC PRIORITY 5381
INFO RUEHLD/AMEMBASSY LONDON 5681
RUFHUKI/AMCONSUL BELFAST 1907
BT
UNCLAS DUBLIN 01026

E.O. 12356: N/A
TAGS: PREL, UK, EI, US
SUBJECT: ANGLO-IRISH AGREEMENT -- WEEKEND PRESS ON US
AID PACKAGE

1. WEEKEND PRESS ON SUBJECT AID PACKAGE WAS LIMITED TO
TWO ARTICLES IN "IRISH TIMES" (LIBERAL). FIRST WAS
FACTUAL REPORT BY WASHINGTON CORRESPONDENT SEAN CRONIN
ON STATUS OF BILL:

BEGIN TEXT. "US SENATE TO REVIEW AID BILL"

AS THE US HOUSE OF REPRESENTATIVES VOTE ON TUESDAY ON
THE AID PACKAGE FOR IRELAND, THE SENATE FOREIGN
RELATIONS COMMITTEE WILL BE HOLDING HEARINGS ON THE
IDENTICAL BILL INTRODUCED IN THE SENATE BY SENATOR
EDWARD KENNEDY.

HOUSE RULES WILL BE SUSPENDED FOR TUESDAY'S DEBATE,
THE FOREIGN RELATIONS COMMITTEE CHIEF OF STAFF SAID,
WHICH MEANS THAT THE AID BILL WILL REQUIRE A TWO-THIRDS
MAJORITY VOTE TO PASS.

DEPENDING ON SENATE ACTION, THE BILL COULD MOVE
THROUGH CONGRESS TO BE SIGNED INTO LAW BY PRESIDENT
REAGAN ON ST. PATRICK'S DAY.

BUT SENATOR RICHARD LUGAR, CHAIRMAN OF THE FOREIGN
RELATIONS COMMITTEE HAS LINKED THE AID BILL WITH THE
EXTRADITION TREATY BETWEEN THE US AND BRITAIN, WHICH
WOULD DELAY PASSAGE OF THE BILL, IF IMPLEMENTED.

THE ONLY CONDITION ON THE AID IN THE HOUSE BILL, MR.
BRADY SAID, IS THAT NONE OF THE ASSISTANCE MAY BE
USED FOR INTELLIGENCE OR SECURITY PURPOSES. BUT THE
HOUSE FOREIGN RELATIONS COMMITTEE DID ADOPT A NUMBER OF
"GUIDELINES" WHICH INCLUDE A CLAUSE FORBIDDING
RELIGIOUS DISCRIMINATION IN THE DISBURSEMENT OF THE
AID. END TEXT.

2. SECOND "IRISH TIMES" ARTICLE, HEADLINED
"SUSPENSION OF PACT WOULD IMPERIL US AID," BY BELFAST
REPORTER ANDY POLLAK, CONTAINED FOLLOWING EXCERPTS:

BEGIN TEXT. THE US AMBASSADOR TO IRELAND, MRS.
MARGARETE HECKLER, SAID YESTERDAY THAT THE 250

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MILLION DOLLAR AID PACKAGE FOR NORTHERN IRELAND
CURRENTLY GOING THROUGH THE US CONGRESS CONTAINED "NO
PROVISION FOR ANY SUSPENSION" OF THE ANGLO-IRISH
AGREEMENT.

MRS. HECKLER SAID THAT TO JEOPARDIZE THE AGREEMENT'S
OPERATION WOULD BE "VERY, VERY COUNTER-PRODUCTIVE" IN
TERMS OF THE US PACKAGE, WHICH SHE SAID WAS "THE ONLY
NEW FOREIGN AID INITIATIVE ON THE CONGRESSIONAL AGENDA
THIS YEAR" BECAUSE OF US BUDGETARY REQUIREMENTS AND THE
RESTRICTIONS OF A NEW BUDGET LAW.

IN A BBC RADIO INTERVIEW, SHE SAID THE PURPOSE OF THE
PACKAGE, WORTH 50 MILLION DOLLARS A YEAR OVER THE
NEXT FIVE YEARS, WAS TO SHOW SUPPORT FOR THE
ANGLO-IRISH AGREEMENT, AND TO HELP REPLENISH THE
NORTH'S INADEQUATE HOUSING STOCK, PROVIDING FINANCE
FOR BUSINESSES, PARTICULARLY SMALL BUSINESSES, AND
FUND PROJECTS TO DEAL WITH UNEMPLOYMENT IN NORTHERN
IRELAND AND THE BORDER COUNTIES.

MRS. HECKLER SAID THE AID WOULD NOW DEFINITELY BE
COMING, BUT DIFFERENCES BETWEEN THE US GOVERNMENT AND
CONGRESS OVER ITS COMPONENT PARTS STILL HAD TO BE
WORKED OUT. THE GOVERNMENT'S PACKAGE PROVIDES FOR AN
OUTRIGHT GRANT OF 20 MILLION DOLLARS PER YEAR TOGETHER
WITH UP TO 30 MILLION DOLLARS IN VARIOUS FUNDING
MECHANISMS SUCH AS GOVERNMENT LOANS, CREDITS FOR
INVESTORS AND LOAN GUARANTEES FOR HOUSE BUILDERS.

MRS. HECKLER SAID THAT A SECOND SET OF PROPOSALS FROM
THE HOUSE OF REPRESENTATIVES FOREIGN AFFAIRS COMMITTEE
PROVIDES FOR STRAIGHT FINANCIAL FUNDING OF 50 MILLION
DOLLARS PER YEAR WITHOUT THE LOAN PROVISIONS AND
GUARANTEES OF THE GOVERNMENT'S PACKAGE. END TEXT.

3. COMMENT: REMARKS ATTRIBUTED TO AMBASSADOR REGARDING
THE SUSPENSION OF AGREEMENT WERE MISINTERPRETED AND
TAKEN OUT OF CONTEXT OF A TELEPHONE INTERVIEW FOR BBC
RADIO DEVOTED PRIMARILY TO DETAILS OF ADMINISTRATION'S
PROPOSED US AID PACKAGE. NO STATEMENT WAS MADE
CONNECTING A "SUSPENSION" OF THE PACT TO PROBLEMS WITH
THE US AID PACKAGE.
HECKLER
END OF MESSAGE

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